Dear Readers,

Congratulations! Your event 4th SAARC Business Leaders Conclave held in Kathmandu, Nepal from September 20-23rd, 2011 was a great success from all angles as it achieved nearly all the parameters set forth by you for achieving regional connectivity and would move positively for regional prosperity by addressing poverty related issues with real fervour and commitment as envisaged in the Kathmandu, Declaration. I and my team is grateful to all the scholars and academicians from across the world and SAARC region for their positive input along with corporate heads and organizations such as FNF and World Bank group and above all the four hundred plus delegates who graced this conclave to make it a great success. I would also like to extend my special gratitude to the entire artist from India, Pakistan, Nepal and especially the women entrepreneurs from Bhutan Bangladesh, Nepal, Pakistan and Sri Lanka.

It was also very heartening to see our Youth from all the SAARC countries gracing this conclave and making it a great success by their positive Ideas and contributions. The secretariat staffs from the headquarters and FNCCI also deserve our special appreciation for all the hard work they put in to provide us with proper ambience and necessary tools for the success of this prestigious mega event.

Annisul Huq

From President’s Desk

Mr. Annisul Huq, President, SAARC CCI presenting SAARC CCI official crest to Hon’ble Dr. Ram Baran Yadav, President of Nepal.
The 4th SAARC Business Leaders Conclave was organized in collaboration with Federation of Nepalese Chambers of Commerce & Industry and in partnership with Friedrich Naumann foundation in Kathmandu, Nepal from 20 to 22nd September 2011. It was fourth in the series after the great success of the first three conclaves held prior to this the first two in India and the third one in Sri Lanka. The objective was to drive an action plan of the private sector of the region to foster the process of regional integration in South Asia.

SAARC Business Leaders Conclave's was organized under theme “Peace and Prosperity Through Regional Connectivity” focused on topics of immediate concern and priority like Food Security, Energy, Climate change and Water Resources, Regional Economic Integration, Women Empowerment, Trade and Investment, Entrepreneurship and Youth Development.

Dr. Ram Baran Yadav President of Nepal was the chief guest and inaugurated 4th SBLC. In his inaugural address he said South Asian nations have common economic goals and common economic challenges. We can move towards prosperity through stronger emphasis on regional partnership. South Asian nations are the home to one-fifth of the world’s population and are equally abundant with resources that have to be exploited through united efforts.

On this occasion, Hon’ble Mr. Ratnasiri Wickramanayake, MP and Ex-Prime Minister, Sri Lanka said that the business community with dynamic role of the respective Government in South Asia could bring about revolutionary changes and further foster the pace of regional integration in South Asia.

Mr. Annisul Huq, President of SAARC Chamber of Commerce and Industry in his keynote address lamented that many important policies that are supposed to boost South Asian trade are forwarded but implementation and execution took almost a decade so that the policy effectiveness is lost by the time of its coming in to effect.

He added that the Better connectivity and trust among South Asian nations will make the movement within the region freer,” pointed out Mr. Huq and urged upon the political leaders of South Asia to exhibit political will to bring peace and prosperity to the Regional, which homed ¼ of the World population, possess the unlimited potential but stayed least integrated in the world.

Mr. Suraj Vaidya, President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in his address said that the intraregional trade among the SAARC member states is marred by the issues of non-tariff barriers and sensitive list that need to be addressed effectively for rapid expansion of intra regional trade while pointing out intra-regional trade as one of the important measure to alleviate the economic situation of the people of region.

Mr. Tariq Sayeed, immediate former President and Mr. Padma Jyoti, former President of SAARC CCI were honoured with gold medal by President Nepal in the recognition of their untiring services for SAARC CCI and business community of South Asia. The incumbent President Mr. Annisul Huq conferred upon his predecessors the certificate of appreciation as well. The inaugural session was followed by a dinner and musical evening performed by Nepali Folk dancers on their traditional music.
The day started with session “Ministerial Round: Generating Political will for Regional Economic Integration” which was chaired by Mr. Tariq Sayeed, immediate Past President, and Former Prime Minister of Sri Lanka Mr. Ratnasiri Wickramanayake was guest of honor in the session.

The session was addressed by incumbent and former Minister’s of SAARC countries which includes Hon’ble Mr. Sarat Singh Bhandari, Minister of Defense, Nepal, Mr. Sartaj Aziz, Former Finance & Foreign Minister of Pakistan and Dr. Hasan Mahmud, MP, Hon’ble Minister of Environment and Forest, Government of the People’s Republic of Bangladesh while Deshbandhu Mably Hashim, Past President, SAARC CCI, Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce & Industry and Ms. Ambica Shrestha, Chairman, Dwarka's Hotel spoke as the panelists.

Speakers of the session regarded Political mindset a big hindrance in achieving the objectives of SAARC. They urged upon the political leaders of South Asia to take bold initiatives and exhibit great political will if they want meaningful economic integration of SAARC and foster the regional cooperation mechanism.

The chair of the session Mr. Sayeed, while concluding the session said that the Private sector of the South Asia was already involved in promoting economic cooperation in the region and demands of the Governments to provide business enabling environment to foster the pace of economic cooperation. He termed non-resolution of political issues as the biggest hurdle in the way of integration process.

Water, Energy, Climate Change and Food Security:

The Session on Water, Energy, Climate Change, moderated by Secretary General Iqbal Tabish was addressed by Dr. Hasan Mahmud, MP, Hon’ble Minister of Environment and Forest, Government of the People’s Republic of Bangladesh, Mr. Gyanendra Lal Pradhan, Chairman-Water, Energy and Environmental Council, FNCCI & SAARC CCI, Mr. Raghuveer Y. Sharma, Principal Investment Officer, IFC, World Bang Group, and Mr. Balananda Poudel, Secretary, Ministry of Energy, Nepal who urged upon the need for evolving Regional Mechanism to overcome the challenges posed by climate change. They were of the opinion that Food Security can not be ensured until unless the poverty is not addressed adequately, which requires access of food for every individual.
Women Leadership for Regional Business Opportunities:

The session on “Women Leadership for Regional Business Opportunities” at the 4th SAARC Business Leaders Conclave was chaired by Ms. Pramila Acharya Rijal, Chairperson, SCWEC and was addressed by Mr. Berthhold Hoffman, Senior Project Manager, GIZ, Ms. Bibi Russell, Founder, Bibi Productions, Bangladesh, Ms. Ranjana Kumar, Former Chairperson, NBARD, Banking sector-India, Dr. Arzu Rana Deuba, Former First Lady and Hon’ble Member of Constitute Assembly (Advocacy and Policy maker), Nepal, Ms. Shireen Arshad Khan, Member National Assembly of Pakistan and Designer & CEO-Shireen’s Designer World, Ms. Manisha Koirala, Nepali-Indian Actress, Entrepreneur and Social Activist- Nepal and Moderated by Mr. Ashutosh Tiwari.

On conclusion of the session the speakers were of the opinion that empowering women in South Asia has always been a challenging issue. It is time to realize that institutional reforms are necessary for removing legal and cultural barriers for regional business opportunities. The discussions during the session included identification of broad opportunities for businesswomen in the SAARC region and showing the way forward for specific sectors. Ms. Shreejana Rana, Vice Chair, SCWEC (Nepal) delivered vote of thanks.

Business Leaders Session Contemporary Issues & Commercial Connectivity in South Asia

The last session of the day on “Business Leaders Session Contemporary Issues & Commercial Connectivity in South Asia” was chaired by Honorable Mr. Padma Jyoti, Past President, SAARC CCI & FNCCI and Chairman - Jyoti Group of Companies, Nepal and was addressed by Mr. S. M. Muneer, Chairman, Din Group of Industries, Former President FPCCI and President India-Pakistan Chamber of Commerce and Industry, Pakistan, Mr. Mohamad Daood Moosa, Senior Advisor of Afghanistan Chamber of Commerce & Industry, Hon’ble Mr. Rajendra Khetan, Industrialist and Member of Constituent Assembly of Nepal, Mr. Mahesh K. Saharia, CEO, Saharia Group of Companies, India, Mr. Madhukar SJB Rana, Former Finance Minister of Nepal and Professor, South Asian Institute of Management, Kathmandu on Trade Issues, Nepal, Mr. Shankar Prasad Koirala, Secretary, Ministry of Industry, Nepal.

The speakers regarded South Asia as least integrated region with lowest commercial bonds than in other regions. They were of the opinion that South Asia has poor connectivity in every sector. South Asia has poor transport network to support trade and commerce when compared to other regions. They urged upon the South Asian governments to oversee political differences to build better trade and investment relationship. Without the honest involvement of all countries intraregional connectivity could not be build.
On 3rd day of 4th SAARC Business Leaders Conclave four sessions were held including the valedictory session. The day started with the session “Trade and Investments in South Asia: Challenges and Opportunities" and addressed by Mr. Purushottam Ojha, Secretary, Ministry of Commerce and Supplies, Nepal, Dr. Saman Kelegama - Executive Director – IPS, Sri Lanka, Mr. Amer Z. Durrani, Sector Coordinator and Senior Specialist, The World Bank, Mr. Paramita Dasgupta, Senior Private Sector Development Specialist, Mr. Mujeeb Khan, Head WTO Cell and Research & Analysis Directorate, Dr. Badar Alam Iqbal, Professor-Department of Commerce, Mr. Om Rajbhandary, Coordinator, Urban Development Forum, FNCCI and GA member SAARC CCI – Nepal. The speakers identified poverty services such as telecommunication, banking, energy, transport and software services are among the main drivers of FDI in the region. They were agreed that South Asia has been plagued by over regulation. They urged to eliminate lack of uniformity in training and standards within the countries which are leading to deficiencies and considerable divergence in the quality of services providers.

Trade and Investments in South Asia: Challenges and Opportunities

Youth Development and Leadership:  Promising prosperous Future of South Asia

The second session of Youth Development and Leadership: Promising prosperous Future of South Asia was chaired by Mr. Shahrukh Malik, Chairman SAARC CCI Young Entrepreneurs Forum and was addressed By Mr. Saurabh Jyoti, VC-SYEF, Nepal, Mr. Abrar-ul-Haq, Managing Director, Advanced Chemical Industry Ltd., Bangladesh, Hon’ble Mr. Gagan Thapa, Member of Constituent Assembly of Nepal, Mr. Suhas Gopinath, CEO & President, Globals ITES Pvt.Ltd. India, Mr. Anil Shah, CEO Megha Bank, Nepal, Mr. Jawad Ahmad, CEO, One World Entertainment- Pakistan, Mr. Shahrukh Malik, Chairman SAARC CCI Young Entrepreneurs Forum (SCYEF), Dr. Arif Dowla, MD, Advanced Chemical Industry Ltd., Bangladesh, Ms. Saima Khan, CEO - School of Leadership, Pakistan, Hon’ble Mr. Gagan Thapa, Member of Constituent Assembly of Nepal, Mr. Suhas Gopinath, CEO & President, Globals ITES Pvt.Ltd. India, Mr. Anuj Shrestha, President, NYEF, Nepal.

While concluding the session, Mr. Shahrukh Malik, Chairman, SAARC Chamber Young Entrepreneurs Forum said we all are agreed that region as a whole has tremendous potential, catering to a fifth of world population with over 60% under the age of 30 this region is geared to blossom. Youth of South Asia today has very strong knowledge of today technologies and regional competitive advantage. If youth is given a proper chance under guidance they can play an important role in bringing down cost of goods and services for our export markets.
The session was chaired by Mr. Kumar Mallimaratchi, President, Federation of Chambers of Commerce & Industry of Sri Lanka and was addressed by Dr. Ganesh Raj Joshi, Secretary, Ministry of Tourism and Civil Aviation, Nepal, Begum Salma Ahmed, ex-parliamentarian, Pakistan, Mr. Nurul Kabir, Editor, New Age “Bangladesh”, Mr. Yogendra Shakya, coordinator, Nepal Tourism Year 2011, Ms. Manisha Koirala, Nepali-Indian Actress, Social Activist- Nepal, Ms. Reema Khan, renowned Lollywood film Actress, Director, Producer and Social Activist - Pakistan, Ms. Poonam Dhillon, Film, TV & Stage Actor & Social Activist - India, Ms. Ritu Singh Vaidya, Entrepreneur, Model and former Ms. India, Nepal and Ms. Manisha Koirala, Nepali-Indian Actress, Social Activist- Nepal.

The session concluded by the chair with the opinion that there has always existed an implicit assumption that greater regional integration should have been easy to achieve because of our shared history and common cultural, linguistic and ethnic ties. Hence, the challenge today for South Asia is to promote unity and build interdependence, which not only integrates our region but also creates a vested interest in each other’s stability and prosperity.

Valedictory Session & Adoption of Kathmandu Declaration:

The SAARC Business Leaders Conclave came to close with Valedictory Session & Adoption of Kathmandu Declaration, which was chaired by Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI and Chairman 4th SBLC Steering Committee. The valedictory session was also addressed by Mr. Annisul Huq, SAARC CCI President, Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC CCI, India, Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce & Industry, Mr. Tariq Sayeed, Immediate Past President, SAARC CCI.

Mr. Iqbal Tabish, secretary General, SAARC CCI presented Kathmandu declaration for adaptation. Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI (Nepal) delivered vote of thanks.

The conclave concluded with adaptation of Kathmandu declaration which was send to SAARC secretariat. The event witnessed the presence of leading politicians, prominent academicians and corporate heads of the enterprises from the region and around the world. The Conclave was attended by more than 500 delegates across South Asia including largest participation 120 from Bangladesh followed by 75 from Pakistan.
The fourth SAARC Business Leaders Conclave adopted the following Policy Reform Agenda with a consensus:

1. The Conclave representing the entire private sector through the National Federations of each 8 Countries unanimously adopted to emphasize on the Governments of the Member Countries to engage seriously on regional connectivity to achieve “Peace and Prosperity” in the region and further requested to take appropriate urgent measures to implement the action plan envisioned under the doctrine “2010-2020 as decade of Regional Connectivity”

2. The connectivity encompasses physical connectivity like connectivity through road, rail, air and sea/river, communication, connectivity through exchange of people, connectivity through cooperation in the area of tourism, health, culture, education, and connectivity through mind and heart.

3. The Conclave deliberated on generating political will for regional economic integration, and recommended resolution of core issues through bold initiatives and exhibiting greater political will to augment socio-economic cooperation in the region;

4. The Conclave urges for full utilization of benefits of geographical proximity, land/sea/river cognitively for massive expansion of trade and intra-investment. The Conclave further emphasized upon implementation of Trade Facilitation Mechanism as urgent necessity to promote intra-regional trade and demands for creation and upgradation of infrastructure of international standard and scale, cooperation in energy and proposes signing/implementation of SAARC Transit Agreement, shipment agreement, Logistics Agreements. ICT Agreement to make SAFTA a workable expeditiously mechanism, leading to Customs Union.

5. Realizing enormous potential in trade and investment in the region, the business community recommends signing of Regional Investment Treaty and up-gradation of SAFTA into a Comprehensive Economic Partnership Agreement for the Region.

6. The Conclave recognized Water, Energy, Climate Change and Food Security asthe priority concerns and pledges for adoption of necessary collective measures to address these challenges and urgent implementation of Regional Environment Treaty; activation of SAARC Food Bank and proposed setting up SAARC Disaster Management Institute to minimize the impact of natural calamities and climate changes.

7. To foster socio-cultural ties in South Asia, the Conclave recommends the Governments to take appropriate measures to augment cooperation in Tourism, Media and cultural exchanges;

8. The conclave focused on economic empowerment of the women in South Asia and recommends to the Governments to take proactive initiatives to encourage and promote women entrepreneurs and young business leaders for sustainable economic cooperation

9. To foster the process of regional cooperation in South Asia, the Conclave urged for immediate and adequate measures for the following:
   - Harmonization of customs procedures and mutual recognition of Standards and Certifications
   - Finalize and expeditiously implement Regional Motor Vehicle Transport Agreement
   - Truly implement Open Sky policy in the region - linking not only directs flights between capitals but to all other major cities
   - The Conclave strongly recommends a common SAARC Energy policy and identify and implement power production units with definite plan and intention for trans border transmission and trade in energy
   - The Conclave regretted retrospective step in the matter of issuance of Visa and strongly recommended issuance of SAARC Visa Exemption Stickers (SVES) from 100 to 500 for each member country and to increase the period from one year to two year. The Conclave further recommends relaxation in rules for issuance of Visa Multiple Visa for business purposes to all bona-fide members recommended by national Federations.
   - The Conclave recommends allowing not only broadcasting of TV Channels (Government and Private) of all SAARC Countries in the entire region; allow content sharing and coproduction in entertainment sector but also to encourage joint sector project in ITES sector.
   - The Conclave recommends formation of South Asian Integration and Promotional Agency, protecting/promoting SAARC common Cultural Heritage In order to deepen this process, it was decided to hold the next SAARC Business Leaders Conclave in 2012.
Mr. Pradeep Kumar Shrestha, Vice President, SAARC CCI & Chairman 4th SBLC welcoming Hon’ble Dr. Ram Baran Yadav, President of Nepal at 4th SBLC.

Mr. Annisul Huq, President, SAARC CCI presenting SAARC CCI official crest to Hon’ble Mr. Ratnasiri Wickramanayake Former Prime Minister, Sri Lanka.

Mr. Padma Jyoti, Past President, SAARC CCI honoured with gold medal by Hon’ble Dr. Ram Baran Yadav, President of Nepal in recognition of his services.

(L-R) Mr. Annisul Huq, President, SAARC CCI, Mr. Kosala Wickramanayake, Vice President SAARC CCI (Sri Lanka), Mr. Sartaj Aziz, Former Finance & Foreign Minister of Pakistan, Mr. Ratnasiri Wickramanayake Former Prime Minister, Sri Lanka, Hon’ble Mr. Sarat Singh Bhandari, Minister of Defense, Nepal, Mr. Mahesh K. Saharia, former EC Member, SAARC CCI (India) & CEO, Saharia Group of Companies, India, Mr. Zubair Ahmed Malik, Former EC Member, SAARC CCI (Pakistan)

Hon’ble Mr. Sarat Singh Bhandari, Minister of Defense, Nepal

Begum Salma Ahmed, ex-parliamentarian, Pakistan presenting a copy of her book “Cutting Trees” to Ms. Manisha Koirala, Nepali-Indian Actress and Ms. Pramila Acharya Rijal, Chairperson, SCWEC.
Group Photo of SAARC delegates with Ms. Sadichha Shrestha, Miss Nepal, 2010.

(L-R) Ms. Manisha Koirala, Nepali-Indian Actress, Social Activist- Nepal , Ms. Reema Khan, renowned Lollywood film Actress, Pakistan, Ms. Ritu Singh Vaidya, Entrepreneur, Model and former Ms. India, Nepal

(L-R) Mr. Jawad Ahmad, CEO, One World Entertainment- Pakistan, Mr. Abrar-ul-Haq, Chairman-Youth Parliament of Pakistan, Mr. Saurabh Jyoti, VC-SYEF, Nepal, Mr. Shahrukh Malik, Chairman SAARC CCI Young, Mr. Anil Shah, CEO Megha Bank, Nepal, Ms. Saima Khan, CEO – School of Leadership and Project Manager – Young Leader’s Conference, Pakistan

Mr. Vikramjit Sahney, Snr Vice President, SAARC CCI (India) along with Ms. Poonam Dhillon, Film, TV & Stage Actress, Pakistan, Mr. Shahrukh Malik, Chairman SAARC CCI Young, Mr. Anil Shah, CEO Megha Bank, Nepal, Mrs. Ayesha Zaheer, vice chairperson, SAARC Chamber Women Entrepreneurs Council (Pakistan).
Federation of Indian Chambers of Commerce & Industry hosted a high powered business delegation comprising of 78 members led by H E Mr. Makhdoom Muhammad Amin Fahim Federal Minister for Commerce, Government of Pakistan. On this occasion FICCI had organized a series of meetings at both Mumbai and New Delhi from September 26-29, 2011.

Interactive roundtable with CEOs’ from India and Pakistan:
On 26th September, FICCI had organized a CEOs’ roundtable at Hotel Taj Mahal Palace, Mumbai. Mr Harsh Mariwala, President, FICCI delivered the welcome address. During the meeting the speakers discussed the Global Financial Crisis during 2008 and its impact on the region. On the sideline of Roundtable, a meeting was also organized by FICCI on Energy, Water and Security which was attended by key members of FICCI Financial sector committee and dignitaries from Pakistan.

India Pakistan Conclave -Mumbai:
FICCI had organized the meeting of India Pakistan Conclave at Hotel Taj Mahal Palace, Mumbai on September 26, 2011. Mr Harsh Mariwala, President, FICCI in his inaugural address cited the need for free trade in commodities such as cotton and engineering goods along with bank branch expansion in Pakistan. H E Mr. Makhdoom Muhammad Amin Fahim, Hon’ble Senior Minister for Commerce, Pakistan in his keynote address said that “Normalization of trade relations between India & Pakistan could be a vehicle to facilitate resolution of other political issues, and could be the base point for success of the Composite Dialogue between India and Pakistan”.

The Conclave was also addressed by Senator Haji Ghulam Ali, President, FPCCI; and Mr S M Muneer, President, India-Pakistan Chamber of Commerce and Industry. FICCI had also organized a business to business meetings for the Pakistan business delegation with their Indian counterparts at the same venue.

Call on Meeting with Chief Minister of Maharashtra:
A Call-on meeting with Shri Prithviraj Chavan, Chief Minister of Maharashtra was organized on September 28th, 2011 at Vidhan Bhavan, Mumbai for select Pakistan delegation. Welcoming the Commerce Minister of Pakistan and delegation accompanying him to Maharashtra, the Chief Minister termed visit of this Business Delegation is a positive step forward despite difficulties for a better bilateral trade and economic relationship between two countries.

Hon’ble Senior Commerce Minister from Pakistan, Mr Fahim thanked the Chief Minister and Harsh Mariwala for hosting the Pakistan Delegation. The visiting Commerce Minister mentioned that it was necessary to take bold steps to normalize Indo-Pak relations through stronger economic and trade relations.

India Pakistan Conclave -Delhi:
On September 29, 2011, FICCI had organized the Delhi leg of India Pakistan Business Conclave at Hotel ITC Maurya, New Delhi.

Mr. Arvind Mehta (Joint Secretary, Ministry of Commerce and Industry, India), in his opening remarks stated that there are no Pakistan specific barriers/ standards. If there were any such restrictions, India would take immediate remedial measures for the same. To clarify the issues panelist included members from various organizations which were involved in the certification and licensing processes.
Mr. Tariq Iqbal Puri (Chief Executive, Trade Development Authority of Pakistan), Dr. Rajiv Kumar (Secretary General, FICCI), Mr. Rajan Mittal (Past President, FICCI), Senator Haji Ghulam Ali (President, FPCCI), Mr. Anand Sharma (Minister for Commerce and Industry, India), and Mr. Makhdoom Muhammad Amin Fahim (Senior Minister for Commerce, Pakistan), also participated in the Conclave. Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC Chamber of Commerce and Industry delivered the vote of thanks on this occasion.

The meeting was well attended by senior government officials, diplomats, think tanks, businessmen from India and Pakistan and media personnel. A day before, on September 28, 2011 FICCI had organized a business to business meeting between Pakistan business delegation and India businessmen at Hotel ITC Maurya, New Delhi. Also on this occasion FICCI had also organized an exclusive luncheon meeting with Hon'ble Commerce Minister of Pakistan and select Pakistan and Indian dignitaries. The luncheon session was chaired by Mr. Harshpati Singhania, Past President, FICCI.

52nd EC Meeting of SAARC CCI, Kathmandu, Nepal:

The 52nd Executive Committee Meeting of SAARC CCI was held in Kathmandu, Nepal on 23rd September, 2011 under the chairmanship of Mr. Annisul Huq, President, SAARC CCI. The meeting was attended by representative from national chambers completing the quorum wherein major decision regarding amendments in the SAARC CCI constitution has been approved. Mr. Pradeep Kumar Shrestha, Vice President, (Nepal) SAARC CCI and Chairman 4th SBLC congratulated the house for successful conclusion of the conclave.

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UPCOMING EVENTS

- **Celebrating SAARC Charter Day**
  10th December, 2011
  Islamabad, Pakistan

- **2nd Young Entrepreneurs Forum**
  7th January, 2012
  Dhaka, Bangladesh

- **SAARC Women Entrepreneurs Forum**
  7th January, 2012
  Dhaka, Bangladesh

- **Seminar on Climate Change and Energy Cooperation in South Asia**
  8th January, 2012
  Dhaka, Bangladesh

**Murphy’s Law**

- If anything simply cannot go wrong, it will anyway.
- Left to themselves, things tend to go from bad to worse.
- Matter will be damaged in direct proportion to its value.
- The chance of the bread falling with the buttered side down is directly proportional to the cost of the carpet.
- The opulence of the front office decor varies inversely with the fundamental solvency of the firm.

*Capt. Ed Murphy, a development engineer from Wright Field Aircraft Lab*
The Culture of Bureaucracy

Madhukar SJB Rana is currently a Professor at the South Asian Institute of Management; Member, Academic Panel SAARC CCI and Member, International Advisory Board, South Asian Policy Research Institute, Colombo.

How diverse is the South Asian economy today and how do you see its growth in the coming years?
The South Asian economy is insufficiently diversified with more intra-country competition for the few global market exports. It needs to be more grounded on a manufacturing base to cater to the employment needs of the nearly 1.3 billion South Asians as reliance on the service sector will not provide full employment security to the vast rural masses, who moved out of agriculture.

Given the ageing of the Chinese population, and the rapid rise in the cost of its human capital, I see huge potential for South Asia to be the next global manufacturing hub of the world, if we can let the Chinese “flying geese” industries to be located in South Asia with its favorable demographic dividend and massive entrepreneurial aptitudes among its emergent middle classes.

How important a role can major economies in South Asia like India, Pakistan, Bangladesh, Nepal and Sri Lanka play in promoting other regional economies?
In-depth studies by the Asian Development Bank’s regional integration scholars (refer to Pan Asian Integration Edited by Pradumna B Rana; Ganeshi Wignaraja and Joseph Francois, ADB 2009) have shown that immense benefits will accrue if South Asia will start to integrate with East Asia (ASEAN, North East Asia) and the Central Asian Republics. The estimated gains to Asia by 2017 could be as much as the current GDP of France! But this requires that India and Pakistan get their act together to solve outstanding issues over Kashmir and the emergent issues over Afghanistan following NATO’s withdrawal.

Following the announcement of India’s ‘new neighborhood policy’ (the so called Gujral doctrine) in 1996 new hopes arose for SAARC integration using the route of sub-regional cooperation between Bangladesh, Bhutan, India’s North East states and Nepal in the form of the South Asian Growth Quadrangle (SAGQ).

Beyond the ASEAN and CAR regions, I feel that Bangladesh, Pakistan, Nepal and Sri Lanka can play a vital role to bring in China – at least its provinces like Xinjiang, Tibet, Gansu, Qinghai, Sichuan and Yunnan, which will find it more accessible to use the ports of the Bay of Bengal than the eastern seaboard of China.

What in your opinion is the major problem that hinders smooth economic functions in the developing economies like ours?
Bad governance in manifestations such as politics of money power and muscle power; criminalization of politics; vote banking based on tribes, castes and creeds, and the near total lack of an independent specialized bureaucracy that can check and balance ram- pant politicization of institutions. However, the culture of bureaucracy must change towards a managerial civil service.

You are credited with bringing about reforms in the finance industry during your tenure as the finance minister of Nepal. Can you tell us more about it?
I was Finance Minister in 2005 – the civil war years at its peak; when the government was headed by King Gyanendra. I was able to convince the private sector to accept VAT as the mainstay of our fiscal administration by accepting its rise from 10% to 13% which they had vehemently opposed when the previous government attempted to raise it. It was necessary to finance the intended defense budget, which must be credited with bringing the Maoists to seek soft landing by renouncing people’s war as the donors began to withdraw or withhold development funding and even put pressure on the multilateral agencies to dilly-dally.

The private sector was assured a lead role for economic growth in a true spirit of public private and community (people) participation not just over projects and programs but, indeed, also sector policies and plans. Our government subscribed to the market mechanism and sought to be a liberal economy with full scope for SMEs as its true foundation.

The previous governments had already endorsed the SAP and E-SAP agreements being promoted by the IMF and World Bank but failed to formulate the necessary acts for liberalization of the financial sector like Bankruptcy Act, Securitization Act etc. In all, a total of five outstanding acts were promulgated by ordinance to deepen financial sector reforms. I believe I had helped Nepal’s central bank to be an independent monetary authority by appointing the Governor and Deputy Governors on the basis of merit and drawn from within the Nepal Rastra Bank itself. Last, but not least, it was envisaged that the Ministry would be responsible not simply for finance but also economy by integrating itself with industry, commerce and supplies and corporate affairs. The idea was to move the finance, trade, investment and commerce bureaucracies towards the vision of a managerial civil service.

Coming to the Nepalese economy, where do you think the country is heading with the recent political crisis and a developing human development index?
The economy is in a crisis mode held afloat by the remittance economy. Without remittances it would have collapsed to put peace and the (illiberal) democracy itself at risk. The policy to go global on the labor market front was introduced by Foreign Minister Dr. Prakash C Lohan in 1996. I am proud to have served as Special Adviser then: since, we note now, that it was primarily responsible to reduce the level of absolute poverty from 42% to 31% in 2004-05 and now, as per the provisional census, to just 13% in 2011!

How successful has international financial assistance been in alleviating poverty and bringing about long-lasting development in the region?
It has been successful in social development but a miserable failure when it comes to poverty alleviation let alone eradication. It has exacerbated inequality class wise, caste wise and region wise. Now they come up with the new doctrine of ‘inclusive development’ after ignoring the agricultural sector, community development and rural infrastructure development, especially rural roads, rural irrigation and rural electrification.

Speaking of South Asian economies, do you think our people are imprisoned in the trap of international aid?

I feel we suffer from ‘aid colonization’ where our creativity and ingenuity, grounded consciously on our own civilizational heritage, are totally stymied. What’s worse, the aid paradigm keeps changing to confuse and devalue the local think thanks, who in most cases have been reduced to mere contract workers to garner local data for the new paradigm being bandied about.

A quote from Zambian economist Dambisa Moyo is worth noting: “Between 1970 and 1998, when aid flows to Africa rose from 11% to a staggering 66%, roughly 600 million of Africa’s 1 billion people are now trapped in poverty.” In Nepal we have been able to bring it down to just 13% (2011) not because of aid but because of migration that basically was fuelled by the rise of Maoism and civil war. What an irony—a war dividend rather than a peace dividend!

Why do we find seething anger and skepticism in the general public about the World Bank and IMF’s loan structures and tax reforms?

It’s pretty obvious that the financial architecture based on the “Washington Consensus” by Churchill and Roosevelt is there to serve the interest of the North primarily. As early as 1991 the SAARC Independent Commission on Poverty Alleviation (in which I was also a Member) had mentioned that the SAP and ESA strategies of the IMF and World Bank were like ‘walking on one leg’ since it had completely ignored the poor. And guess what? Come 2005, to add insult to injury, I was pressured to accept the so-called HIPEC loans by the IMF based on their irrelevant experience of sub Saharan Africa, the IMF and World Bank believed that Nepal was en route to being another failed state.

These institutions are now archaic and highly plutocratic. It needs to be reformed as early as possible with the Asian renaissance and the rise of the BRIC+T nations (T for Turkey as a Eurasian power like Russia).

How can our governments implement public-friendly economic policies to help pay back?

South Asian nations must collectively bargain for debt write off and use all the proceeds to henceforth forgo aid and to help the poor with direct aid rather than going through INGOs, NGOs, central and local bureaucracies. Aid, sadly, has been generous gifts from the many poor in the North who are humane, humanitarian and well meaning. But it has been a shining example of gifts from the rich country’s poor to the poor country’s rich— to be stacked in foreign banks.

How important is public participation in this regard?

Public participation in the form of grass roots community participation is vital. Why can’t we empower local communities to design, implement, own and manage their own projects to meet the MDGs? Communities have been divided by the unwarranted intervention of political parties who seek to benefit themselves and their parties in the most decisive manner. Communities have to be made subjects and not objects of development: with maximum devolution of political and economic rights and responsibilities.

How can our governments curb spiraling inflation, inflationary borrowing and tax evasion and tighten up the fiscal policies?

In Nepal’s case spiraling inflation is due to cost push factors accounted for by external and internal forces. On the external front, it’s the energy crisis and as well as the inflation in India with whom we have a free trade cum fixed exchange regime. On the internal front, it’s due to the cartelization and syndication of markets which has meant that monopoly forces are at play causing inflation to be way above what it normally should be as compared to India—say at best 2-3% more. These days it’s significantly more because of the oligopolistic forces in the political and economic markets.

Anti-money laundering laws forced on Nepal by the donors have resulted in banks and financial institutions facing severe liquidity crises just at a time when the real estate and stock markets have gone bust. It is a classic case of not knowing when to introduce a new legislation which has resulted in the acute liquidity crises and sky rocketing interest rates with fears of financial collapse, capital flight and people switching to holding Indian currency in the bordering areas. Here the central bank gave in to foreign pressures without doing their own work on its social costs, benefits and impact.

Fiscal policies have to be tightened up by having a universal VAT with no exceptions as now. For equity purposes we should have different rates of VAT for different commodities rather than a flat 13%.

Do you think south Asian economies have become resilient? What steps need to be taken to improve these economies?

Resilience of the South Asian economies have stalled because of the lack of political will to deepen financial and economic reforms as well as ushering in fundamental institutional, judicial, labor and electoral reforms to move from an illiberal democracy to a liberal one to safeguard peoples’ and consumers’ sovereignties. Civil society and media must act as watch dogs to countervail the excesses of parliamentary sovereignty from the rampant oligopolistic behavior of the political parties resulting in unimagined graft, corruption and money laundering into save havens abroad. Bringing back the laundered money should be foremost priority. Gandhian Anna Hazare’s attempt to have an all powerful LOKYUKTA Bill is an admirable Endeavour that deserves to be replicated in the rest of South Asia. Investment in regional public goods such as Asian Highway, Asian Railway, South Asian Waterway linking all of South Asia major airports, modernizing ports and building dry ports, cold storage depots to facilitate multi-modal transit and transshipment transport will benefit the region as well as each nation significantly. It also needs gas pipeline and energy grids.

South Asia needs to develop a Master Plan for Regional and Inter Regional Connectivity and move collectively to mobilize the huge FDI for this grand design. The current crises in US and European economies present immense opportunities for a bold move now towards Pan Asia. This must be the ultimate vision for SAARC for the peace, prosperity, security and happiness of the globe. SAARC must move towards the formation of the Asian Infrastructure Fund, Asian Monetary Fund and expedite the trading of infrastructure bonds in local currencies through manifold financial innovations.

Courtesy to South Asian Magazine
“There are no short-cuts ... ...to long-term success.”

Keeping a lead position in our business, maintaining our values, based on good business ethics and at the same time to contribute in the development of the community in which we work and live in.

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The SAARC Chamber of Commerce and Industry (SAARC CCI) was established in 1993, as the first recognized regional apex Business organization of SAARC, with its constituent units in all member states and its permanent headquarters in Islamabad, Pakistan. Since its very inception, SAARC CCI is based in Islamabad thus; a pressing need was felt for a permanent institutional building for the organization to enhance its role in the promotion of trade and economic cooperation through disseminating information about the content, scope and potential of SAFTA among the business community in the region.

After taking over the Presidency of SAARC CCI in 2008, the Business Leadership in Pakistan has proactively undertaken the assignment for completion of this state-of-art Project at a piece of land already acquired by SAARC CCI.

The Executive Committee of SAARC CCI has already established SAARC CCI Headquarters Building Trust under the chair of Mr. Tariq Sayeed, immediate Past President and comprises members from all member nations of SAARC. The current Vice President, SAARC CCI (Pakistan), Mr. Iftekhar Ali Malik has been assigned the responsibility to accomplish this task as the Chairman of Building Committee.

The SAARC CCI Permanent Headquarters Building will be constructed on its designated Plot No. 26 at Muave Area, G-10/4 in Islamabad. The technical requirement has been fulfilled and the Capital Development Authority in Islamabad has allowed for construction, the process of which will soon be accomplished.

### Salient Features of the Building

- The building will provide state of the art facilities, having central air-conditioning and heating system.
- The structure will be basement + Ground + Mezzanine + 1st Floor to 9th Floor for office use.
- 9th Floor will have an auditorium with seating capacity of 256 participants and conference rooms.
- It is located at a central and ideal place of Islamabad surrounded by many important government and on the way to future Islamabad airport.
- The building will be RCC frame building.
- The size of the building is approximately 160ftx70ft, having covered area of about 1,60,000 sq. ft.
- The maximum grid/column spacing is 25ftx24ft. The loading on columns will be in the range of 2000-2400 Kips.
- The maximum height of the building is about 128 feet above natural ground level.
- The bottom of basement will be placed at 18 feet below N.G.L.
- World class parking facilities will be available.

This project offers tremendous opportunities for offices on rental for multinational, Banks, Insurance companies, corporate houses and members of SAARC CCI who wish to establish their offices in this magnificent building.

SAARC CCI welcomes any offer regarding the completion of the project from any interested organization in Pakistan and from the region based mutual consent. The interested parties may contact Mr. Iftikhar Ali Malik, Vice President SAARC CCI or Mr. Iqbal Tabish, Secretary General, SAARC CCI at our official address and contact Numbers.

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